



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"Enriching Lives"

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IN REPLY PLEASE

REFER TO FILE: **WR-4**

October 16, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012-2756

Dear Supervisors:

**WALNUT CREEK
APPROVE AGREEMENT TO SPREAD WELL DEVELOPMENT WATER
SUPERVISORIAL DISTRICT 1
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY
OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Consider the Negative Declarations for the San Gabriel Valley Water Company (SGVWC) Plant B5 and B6 Treatment facilities adopted by the San Gabriel Basin Water Quality Authority on January 10, 2002, and October 21, 2002, find the Negative Declarations adequately describe the impacts for the California Environmental Quality Act (CEQA), and find that these actions reflect the independent judgement of the County of Los Angeles.
2. Authorize the Director of Public Works or his designee to execute an agreement with the SGVWC and Aerojet General Corporation, Azusa Land Reclamation Company, Inc., Fairchild Holding Corporation, Hartwell Corporation, Huffy Corporation, Oil and Solvent Process Company, Reichhold, Inc., and Wynn Oil Company (collectively known as the AParties®), which describes the terms and conditions for accepting well development water for groundwater recharge within Walnut Creek located in the City of Baldwin Park.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

We are recommending that your Board find the Negative Declarations adequately describe the project impacts on the environment and approve and authorize the Director of Public Works to execute the enclosed agreement with the SGVWC and the Parties for accepting well development water for groundwater recharge within Walnut Creek located in the City of Baldwin Park.

To remediate groundwater contamination in the Baldwin Park area, the U.S. Environmental Protection Agency (EPA) has ordered the Parties, who are responsible for the contamination, to fund the construction of facilities to extract and treat the contaminated groundwater. A total of seven new wells along with treatment facilities will be constructed to extract the contaminated groundwater. The Valley County Water District has recently completed construction of the first two wells and is constructing a treatment plant for these wells. The SGVWC, as part of its Plant B5 and B6 Treatment Facilities Project, will construct and operate the remaining five extraction wells. The two treatment plants will treat the contaminated groundwater for use in the municipal water supply.

However, the seven wells are to be constructed prior to construction of the treatment plants. Therefore, the contaminated groundwater extracted during the well development is to be discharged into Walnut Creek and allowed to percolate back into the same contaminated portion of the groundwater basin. The EPA has found this to be the most reasonable and cost-effective approach to disposal of the well development water. On March 18, 2003, your Board authorized the Director of Public Works to enter into an agreement for discharge of the well development water from the two wells constructed by the Valley County Water District. Construction of these two wells is complete with no complications arising with the discharge of the well development water. A separate agreement is being executed with SGVWC for the well redevelopment discharge from the five wells they will construct.

Implementation of Strategic Plan Goals

This action meets the County Strategic Plan Goal of Service Excellence by providing a beneficial method for disposal of the well development water, which will allow the wells to be completed now prior to construction of the treatment plant. With the wells already in place at the time the treatment plant is completed, the entire project will be able to begin extracting and treating the contaminated groundwater much earlier, thereby halting further migration of the groundwater contamination.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The enclosed agreement will be approved as to form by County Counsel prior to signature by the Director of Public Works.

ENVIRONMENTAL DOCUMENTATION

The EPA is implementing this project under the authority of the Comprehensive Environmental Response, Compensation, and Liability Act.

The San Gabriel Basin Water Quality Authority, which is providing a portion of the funding for this project, has previously prepared and adopted a Negative Declaration for each of the two treatment plants and five extraction wells on January 10, 2002, and on October 21, 2002, in compliance with CEQA. We have independently reviewed the Negative Declaration and have determined that it adequately addresses the environmental impacts of the project. As a responsible agency, prior to approval of this agreement, your Board's finding that the environmental impacts are adequately described in accordance with CEQA is required.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact to current County services or projects as a result of this project. The Parties are responsible for assuring that the well development water complies with all relevant water quality regulations and will insure and indemnify the County against future negative impacts, if any, from the use of well development water for recharge.

The Honorable Board of Supervisors
October 16, 2003
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CONCLUSION

Please return one approved copy of this letter to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

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Enc.

cc: Chief Administrative Office
County Counsel

A G R E E M E N T

This Agreement is entered into and executed as of the ____ day of October 2003 by and between the Los Angeles County Flood Control District (the "District"), on the one hand and on the other hand: (i) the San Gabriel Valley Water Company, a California corporation and a public utility regulated by the Public Utilities Commission and the Department of Health Services ("SGVWC") and (ii) the following private parties (collectively, the "CRs"): Aerojet-General Corporation, Azusa Land Reclamation Co., Inc., Fairchild Holding Corporation, Hartwell Corporation, Huffy Corporation, Oil & Solvent Process Company, Reichhold, Inc., and Wynn Oil Company. The District, SGVWC, and the CRs are collectively referred to as the "Parties" and individually as a "Party."

R E C I T A L S

WHEREAS, the District performs flood control and water conservation primarily of storm waters and other runoff within the County of Los Angeles pursuant to the Los Angeles County Flood Control Act, California Water Code, Uncodified Acts, Act 4463 (the "Flood Control Act");

WHEREAS, the Flood Control Act authorizes the District to conserve waters including by spreading, storing, retaining, or causing waters to percolate into the soil, thereby, allowing recharge of the subsurface water storage within the groundwater basins in the County of Los Angeles;

WHEREAS, the District owns and operates Walnut Creek, which is an earthen bottom channel in the reach from Baldwin Park Blvd. to its confluence with the San Gabriel River (the "Spreading Area"), designed to allow rainfall and other runoff from the local watersheds to percolate naturally through gravity into the ground and into the groundwater basins ("Storm-flow Spreading");

WHEREAS, in addition to conducting Storm-flow Spreading, from time to time, the District may determine that conditions exist to permit additional flows of water to naturally percolate through gravity into the ground and into the groundwater basin ("Spread") at the Spreading Area (the "Unused Capacity");

WHEREAS, it is understood that the United States Environmental Protection Agency (the "US EPA") issued Unilateral Administrative Order 2000-13 (the "UAO") in June 2000, as amended in February 2002, to the CRs and several other parties pursuant to the authority granted by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.* ("CERCLA");

WHEREAS, the UAO named the CRs and several other private entities as potentially responsible parties with respect to contamination of the groundwater in the Baldwin Park Operable Unit of the San Gabriel Valley Superfund Site in Los Angeles County, California (the "BPOU");

WHEREAS, under the UAO, US EPA has ordered the CRs and other recipients of the UAO to extract and treat contaminated groundwater at the BPOU;

WHEREAS, it is understood that in order for the CRs to satisfy their obligations under the UAO and in settlement of disputes that arose in connection with the BPOU, the CR's, SGVWC, the San Gabriel Basin Water Quality Authority (the "WQA"), the Main San Gabriel Basin Watermaster ("Watermaster"), La Puente Valley County Water District, Valley County Water District, Suburban Water Systems, and California Domestic Water Company entered into that certain BPOU Project Agreement that became effective on May 9, 2002 (the "Project Agreement"), to build and operate the BPOU project (the "BPOU Project"), a copy of which agreement (without exhibits) is attached hereto as **Exhibit A**;

WHEREAS, under the Project Agreement the CRs have agreed to fund costs for the design, construction, operation, maintenance and management of construction of certain groundwater extraction, treatment and distribution facilities in the BPOU area (the "Treatment Facilities"), including Treatment Facilities that SGVWC will own and operate;

WHEREAS, the Treatment Facilities are intended to treat groundwater in the BPOU area so that the treated water can be used as a potable drinking source pursuant to permits that will be obtained from the State of California Department of Health Services;

WHEREAS, SGVWC will construct, own and operate nine extraction wells which will convey groundwater to its Treatment Facilities at Plant B5 and Plant B6; five of these nine extraction wells have yet to be constructed and will be developed prior to installation of permanent pumping equipment and such well development is expected to produce approximately 2-5 million gallons of untreated water per well (the "Well Development Water");

WHEREAS, the US EPA and the parties to the Project Agreement desire the Well Development Water to be conserved as part of the ground water in the Main San Gabriel Basin by having the Well Development Water be Spread into said basin by using the Unused Capacity at the Spreading Area;

WHEREAS, although not otherwise legally obligated, the District has agreed to cooperate with the other Parties to this Agreement by allowing Unused Capacity at the Spreading Area to be made available for the Spreading of Well Development Water under the terms and conditions of this Agreement;

WHEREAS, the Parties intend that the Spreading of Well Development Water will result in no additional costs, expenses or risks to the District, except for the District's own administrative and internal legal costs of preparing and administering this Agreement;

WHEREAS, the CRs have represented to the District that no agency with jurisdiction over the Spreading Area or the Well Development Water, including the US EPA, the Regional Water Quality Control Board - Los Angeles Region (the "RWQCB") and the California Department of Fish & Game, objects to or requires any permits relating to the Spreading of the Well Development Water at the Spreading Area as contemplated in this Agreement;

WHEREAS, WQA has completed the CEQA process and issued a negative declaration for SGVWC's project, including the extraction wells, the Well Development Water, and its Treatment Facilities, and WQA has determined that NEPA does not apply to this project;

WHEREAS, on February 19, 2003, US EPA sent a letter to the District stating its support for the matters addressed in this Agreement, a copy of which is attached as **Exhibit B**;

WHEREAS, on April 17, 2003, the RWQCB sent a letter to the District stating its support for the matters addressed in this Agreement, a copy of which is attached as **Exhibit C**;

NOW, THEREFORE, in consideration of the mutual covenants of the Parties herein contained, the Parties hereby agree as follows:

1. **Spreading of Well Development Water.** Upon receipt of a Written Request (as defined below) pursuant to Section 3 below, to the extent that the District may determine that Unused Capacity exists at the Spreading Area in accordance with this Section 1, the District hereby grants: (i) permission for the SGVWC to place Well Development Water into the District's flood control channel leading to the Spreading Area and (ii) access to and use of District's rights of way and property including the Spreading Area for purposes of preparing and using that Spreading Area for the infiltration of the Well Development Water and appropriate related testing. This limited grant of permission, access and use is subject to the following terms and conditions 1.A-1.E, as well as the rest of the provisions of this Agreement:

A. Provided that a Party that delivers a Written Request pursuant to Section 3 below with advance notice of a request to use the Spreading Area, the District either will allow, disallow, or restrict the Spreading of the Well Development Water at the Spreading Area. The District shall have the sole and absolute discretion to determine the facilities, flow rates, and duration of Spreading of the Well Development Water, based upon conditions that exist at or following the date the District receives the Written Request, including, without limitation, based upon the Unused Capacity that the District determines may be available at the Spreading Area and/or any emergency or condition beyond the District's control.

B. Notwithstanding any other provision of this Agreement, the District shall have full power and authority, at its sole and absolute discretion, to withdraw,

modify, or revoke any permission granted in response to any Written Request when, in the District's sole opinion, the transport or Spreading contemplated, in whole or in part, by the Written Request cannot or should not be performed due to the District's operational and/or maintenance concerns, problems or difficulties.

C. The District reserves the right to prohibit or to terminate the Spreading of Well Development Water at any time, without prior notice, in connection with any emergency that may exist or as a result of the need to perform and/or accomplish the District's mandates of flood control or water conservation, including, without limitation, Storm-flow Spreading, as the District may determine in the District's sole and absolute discretion.

D. Notwithstanding any other provision in this Agreement, the District shall have full and absolute discretion to give priority to performing and/or accomplishing its mandate of flood control and water conservation, including, without limitation, to Storm-flow Spreading before performing any act pursuant to this Agreement, including any relating to the Spreading of Well Development Water. Consequently, the Parties acknowledge that the District does not promise or guarantee that any Well Development Water will be Spread in the Spreading Area.

E. Notwithstanding any other provision in this Agreement, the District shall have sole and absolute discretion to determine the existence of any Unused Capacity in the Spreading Area based solely on the District's assessment of its operational requirements and needs to conduct the District's traditional functions of flood control and water conservation, including without regard to this Agreement, and subject to the District's determination, at its sole discretion, of the need for priority for the District to conduct other Spreading prior to any Spreading of Well Development Water at the Spreading Area.

2. **Written Requests to the District.** As a precondition to the Spreading of Well Development Water from SGVWC's extraction wells, SGVWC shall deliver to the District a written request at least five (5) of the District's business days prior to the date of the desired commencement date for the Spreading of Well Development Water at the Spreading Area. Each such written request for the Spreading of Well Development Water ("Written Request") shall specify the desired flow rate and the total acre-feet of Well Development Water desired to be Spread and the time frame during which SGVWC desires the Well Development Water to be Spread at the Spreading Area. SGVWC also will supply the District with a copy of the signed contract with the contractor who will be placing rubber dams or any other improvements into the Spreading Area that contain all pertinent conditions of the proposed manner of spreading into the Spreading Area.

3. **District Response.** The District shall respond, in writing, at least two business days before the desired commencement of the proposed Spreading. The District's response shall indicate that it (i) will permit the use of the Spreading Area as stated in the Written Requests; (ii) will permit the use of the Spreading area but at other

times or flow rates or subject to other or additional conditions; or (iii) will not permit the use of the Spreading Area as specified in the Written Request. The District's failure to respond to a written request shall not be construed as approval of any such written request. Any such response by the District shall be subject to its ability to withdraw or modify any permission to utilize the Spreading Area as provided in Section 1 above.

4. **Records.** Within a reasonable period after receipt of written notice of the desire to access the District's records, the District shall provide the Party delivering the written notice with access to all of the District's records relating to the Spreading of Well Development Water, in accordance with the provisions of the Public Records Act contained in the California Government Code. Within a reasonable period after receipt of a written notice from the District of a desire to access a Party's records, said Party shall provide the District with access to all of the Party's non-privileged records relating to the Spreading of the Well Development Water. Each Party shall maintain the foregoing records for a period of three (3) years following the date the records are created.

5. **No Obligations for the District.** Nothing in this Agreement shall obligate the District to build, acquire or in any manner operate any assets, channels, or facilities of any nature whatsoever that the District would not otherwise build, acquire, own or operate but for this Agreement or to bear any cost or expense in connection therewith. SGVWC and the CRS shall be responsible for the design, construction, installation, operation maintenance and removal of any improvements or facilities added to the Spreading Area to Spread Well Development Water, which shall be performed according to the engineering requirements stated in the Request for Proposal attached hereto as **Exhibit D**. Any review and/or approval by the District of the activities of SGVWC or the CRs shall not relieve said parties of their obligations in this Section 5 or their obligations to provide for insurance coverage or indemnification as set forth in Sections 10 and 11 below.

6. **Reimbursement of Expenses to District.** The District shall not incur any expense under this Agreement, other than its own administration costs (i.e., costs relating to the creation and execution of this Agreement and costs in the District's administration of its obligations pursuant to this Agreement, such as the costs of providing notices required of the District under this Agreement) ("Own Administrative Costs"). The CRs shall be jointly and severally responsible for funding all contractors conducting any well development, or any work necessary for the placement of the Well Development Water into the Spreading Area, including all related sampling and analytical work. In addition, the CRs shall reimburse to the District such of its Own Administration Costs that the CRs agree in writing to reimburse to the District.

7. **No Implicit Grant of Rights by District.** This Agreement shall not be construed to grant to SGVWC, the CRs, or to any third party any rights or powers not expressly granted by this Agreement, including, without limitation, any rights to construct upon, occupy or use any of District's rights of way or any other real or personal property of the District or to transfer any Unused Capacity to any other party.

8. **Documenting Flow of Well Development Water.** SGVWC shall (i) provide the District with daily readings of the flow rate in cubic feet per second and the total acre-feet of any and all Well Development Water placed in the District's flood control channel leading to the Spreading Area, and (ii) deliver to the District on a summary of all daily readings within seven (7) calendar days after the end of any given week that the Party released any Well Development Water into the District's flood control channel leading to the Spreading Area.

9. **Obligations re: Well Development Water/Permits.** The CRs shall be jointly and severally responsible for assuring the following items or conditions relating to the Well Development Water that may be placed in the District's facilities, including, without limitation, the Spreading Area:

A. In addition to the substances already present in the untreated groundwater that is extracted, trace amounts of bentonite or other inert materials may be present in the Well Development Water prior to discharge into the Spreading Area;

B. The Well Development Water shall meet any and all requirements that may be imposed by any agency of competent jurisdiction to conduct Spreading of the Well Development Water;

C. The Well Development Water shall be sampled and analyzed in accordance with the specifications set forth in the Sampling and Analysis Plan attached as **Exhibit E**. The parties other than the District shall conduct all sampling and analysis specified in the Sampling Plan to the District's full and complete satisfaction. For informational purposes only, the District shall have full access to and copies of analytical results and the documentation relating to said procedures. Any analysis shall be performed to the District's complete satisfaction at a laboratory duly certified to perform the required analysis by the State of California Environmental Laboratory Accreditation Program; and

D. Any and all current and future necessary rights and permits from any and all governmental authorities and third parties shall have been obtained and shall be maintained valid at all times to allow the District to conduct any and all activities under this Agreement concerning the Well Development Water, including, without limitation, the Spreading or flows contemplated in Section 1 above.

10. **Insurance.**

A. The CRs shall deliver a signed copy of this Agreement to the Risk Manager (as defined in Section 5.1.1 of the Project Agreement) and arrange for the necessary instructions directing the Risk Manager to (i) ensure that Environmental Site Liability Policy (the "ESL" Policy) issued by Chubb Custom Insurance Company ("Chubb") and procured pursuant to the Project Agreement is endorsed as expressly required pursuant to subsections B and C of this Section of this Agreement; (ii) provide

copies to the District of all insurance policies and endorsements and certificates of insurance relating to insurance coverage required under this Agreement; and (iii) provide the District with assistance in filing any necessary claim pursuant to any applicable insurance policy.

B. The CRs have obtained from Chubb a certificate indicating that for purposes of Section VI, paragraph 24 of the ESL Policy, the Spreading Area is scheduled to the ESL Policy as a "Non-Owned Location." This certificate was designated as Endorsement No. 14 to the ESL Policy.

C. Throughout the Term of this Agreement, the CRs shall maintain the \$100,000,000 ESL Policy, a copy of which is attached hereto as **Exhibit F**. The CRs have provided the District with an endorsement in a form satisfactory to the District, in its sole and absolute discretion, naming the District, the County of Los Angeles and its special districts and their Supervisors, agents and employees as additional insureds. A copy of said endorsement is attached hereto as **Exhibit G**.

D. Throughout the term of this Agreement, SGVWC shall ensure that the contractor performing the drilling work and any contractor doing work in the Spreading Area procure and maintain insurance providing general liability and that the rubber dam contractor will also have contractor's pollution coverage and that each of their required policies shall include an endorsement in a form satisfactory to the District, in its sole and absolute discretion, naming the District, the County of Los Angeles and its special districts and their Supervisors, agents and employees as additional insureds.

11. **Indemnification of District.** The CRs shall indemnify, defend and hold harmless the District, the County of Los Angeles, special districts, and their Supervisors, agents and employees (collectively, "Indemnified Parties" or singularly, "Indemnified Party") from and against all claims, actual damages (including, without limitation special and consequential damages), injuries, costs, response costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal and administrative proceedings, interest, fines, incremental increases in subsequent fine levels solely due to the activities covered by this Indemnification, charges, penalties and expenses (including without limitation reasonable attorneys', engineers', consultants' and expert witness fees and costs incurred in defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by any Indemnified Party or asserted against the Spreading Area or the Indemnified Party (collectively, the "Loss"), directly or indirectly arising from or attributable to the Well Development Water and any activity in or beyond the Spreading Area related to the Well Development Water. Provided, however, that no indemnification, defense or hold harmless obligation shall extend to acts of gross negligence or intentional misconduct by the District or the County of Los Angeles. Said indemnification, defense and hold harmless obligation shall be triggered only upon the occurrence of one of two alternative events:

A. If the Loss is within the scope of the coverage provided by the ESL Policy or the policies maintained by the contractors as described in Section 10.D above, (which determination(s) shall be made jointly by the Parties or, if there is a dispute, by the BPOU Risk Manager), then the Indemnified Party(ies) shall first submit the Loss to Chubb and/or to the contractors' carrier(s). (If it is determined that a Loss falls under more than one of these policies, then the BPOU Risk Manager shall determine to which carrier(s) the Claim should be submitted.) If Chubb or one of the other carriers accepts and fully reimburses the Indemnified Party for the Loss, then the indemnification, defense and hold harmless obligation shall not be triggered until the policy limit applicable to the Loss is exhausted. If all of said carriers to whom a Loss has been submitted either deny the Loss or fail to act by either acknowledging coverage or commencing a defense within ninety (90) days after notice of the Loss is provided by the Indemnified Party, then the duty to Indemnify by the CRs shall commence upon written notice by the Indemnified Party(ies) that this condition precedent has been satisfied; or

B. If the Loss is outside the scope of coverage provided by the ESL Policy and the policies maintained by the contractors as described in Section 10.D above, (as determined jointly by the parties, or, if there is a dispute, then by the District), then the Indemnified Party(ies) shall submit the Loss to the CRs. If the Loss is submitted to the CRs pursuant to this subsection and subsequently one or more insurance carriers accepts the Loss, then the exhaustion provisions of subsection 11.A shall apply.

C. The ESL Policy provides for a self-insured retention of \$ 1 million per incident and \$2 million in the aggregate applicable to Coverages A, C, and D and a self-insured retention of \$3 million per incident and \$3 million in the aggregate applicable to Coverage B. The CRs agree to pay the self-insured retention, if any, for any Loss that is within the scope of this Indemnification and the ESL Policy.

D. The express indemnification provided for in this Section 11 is not a waiver of, and shall not in any way preclude, limit or otherwise affect, any claim for equitable indemnification of any Indemnified Party against any Party to this Agreement or any third party. All such equitable indemnification claims are expressly reserved.

12. **Term.** This Agreement shall become effective upon the date that it is executed by the District (subject to the requirement in Section 20 that the District be the last Party to execute this Agreement) and shall expire eighteen (18) months from the date that it is executed by the District. Notwithstanding the foregoing, this Agreement may be terminated by the District, SGVWC, or the CRs by providing thirty (30) calendar days' prior notice to all other Parties. This termination remedy shall be in addition to and not in place of any other remedy available to the Parties in law, or in equity. Notwithstanding the foregoing, Sections 11, 13.A, 13.B, and 15 of this Agreement shall survive termination of this Agreement.

13. **Covenants, Representations and Warranties.** The CRs and SGVWC represent and warrant that a true and correct copy of the Project Agreement (without exhibits) is attached hereto as **Exhibit A** and that the Project Agreement is in full force and effect. Each Party represents and on behalf of itself and in favor of the District:

A. That it has the requisite power and authority to enter into this Agreement and that doing so does not violate any other agreement;

B. Each signatory below represents and warrants to have the requisite power and authority to execute this Agreement and to bind the Party on whose behalf he or she is executing this Agreement; and

C. The CRs or SGVWC will provide prompt written notice to the District of any material breach or termination of the Project Agreement or of the invalidity of any insurance policy or endorsement in favor of the District that was obtained pursuant to this Agreement.

D. That no agency with jurisdiction over the Spreading Area or the Well Development Water, including the US EPA, the California Department of Fish & Game, and the Regional Water Quality Control Board - Los Angeles Region the "RWQCB"), objects to or requires any permits relating to the Spreading of the Well Development Water at the Spreading Area as contemplated in this Agreement;

E. That WQA has completed the CEQA process and issued a negative declaration for its entire project, including the extraction wells, the spreading of the Well Development Water and its Treatment Facilities, and WQA has determined that NEPA does not apply to this project.

14. **Permit to Spread Well Development Water.** The Spreading of Well Development Water shall be subject to the issuance of a permit ("Permit") by the Los Angeles County Department of Public Works. The terms and conditions of the Permit shall be in addition to but not in lieu of the provisions of this Agreement.

15. **Notices.** Unless otherwise provided in this Agreement, any Written Request, notice, demand, or other document from one Party to the other under this Agreement shall be delivered in writing via First Class U.S. mail or overnight courier (U.S. Mail Express Mail overnight delivery, Federal Express, or an equivalent overnight delivery service), or via facsimile (with written confirmation as proof of delivery), or delivered in person as follows:

If to the District:

County of Los Angeles Department of Public Works
Water Resources Division
Attention Engineer in Charge of Spreading Operations
900 South Fremont Avenue
Alhambra, CA 91803
Telephone: (626) 458-6307
Fax: (626) 979-5309

With copies to:

Fredrick W. Pfaeffle,
Senior Deputy County Counsel
Office of the County Counsel
County of Los Angeles
500 West Temple Street
Los Angeles, CA 90012
Telephone: (213) 974-1901
Fax: (213) 617-7182

Craig A. Moyer, Esq.
Manatt, Phelps & Phillips
11355 W. Olympic Blvd.
Los Angeles, CA 90064
Telephone: (310) 312-4000
Fax: (310) 312-4224

If to the (CRs):

Lawrence A. Hobel, Esq.
Heller, Ehrman, White & McAuliffe LLP
333 Bush Street
San Francisco, CA 94104-2878
Telephone: (415) 772-6348
Fax: (415) 772-6268

and

Norman A. Dupont, Esq.
Shapiro & Dupont LLP
233 Wilshire Boulevard, Suite 700
Santa Monica, CA. 90401
Telephone: (310) 319-5400
Fax: (310) 319-5401.

If to SGVWC:

Michael L. Whitehead, President
San Gabriel Valley Water Company
11142 Garvey Avenue
South El Monte, CA 91733-6010
Telephone: (626) 448-6183
Fax: (626) 448-5530

and

Barry C. Groveman, Esq.
Musick, Peeler & Garrett, LLP
One Wilshire Boulevard
Suite 2000
Los Angeles, CA 90017-3321
Telephone: (213) 629-7600
Fax: (213) 624-1376.

Any notice, demand or document so given, delivered or made shall be deemed to have been given or delivered or made on the day on which the same is deposited in the U.S. mail, or, as the case may be, delivered to the overnight courier, addressed as stated above, with postage or charges thereon fully prepaid. Any Party may change the above delivery address or numbers upon written notice to the other Parties delivered in writing in the manner set forth above.

16. **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

17. **Amendment.** No variation, modification, change or amendment of this Agreement shall be binding upon any Party unless such variation, modification, change or amendment is in writing and duly authorized and executed by the respective and duly authorized representatives of the Los Angeles County Board of Supervisors, SGVWC, and the CRs, provided however that the permit to be issued pursuant to Section 14 above shall not be deemed an "amendment" to this Agreement. This Agreement shall not be amended or modified by oral agreements or understandings among the Parties or by any acts or conduct of the Parties.

18. **No Third-Party Beneficiary/ Successors and Assigns.** This Agreement is made and entered into for the sole protection and benefit of the Parties named in this Agreement and their permitted successors and assigns. No third party shall have any right of action based upon any provisions of this Agreement.

19. **Waiver.** No waiver of any breach or default by any Party shall constitute a waiver of any other breach or default, nor shall any such waiver constitute a continuing waiver.

20. **Severability.** If any provision of this Agreement shall be determined by any court to be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement shall not be affected, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in this Agreement.

21. **Counterparts.** This Agreement may be executed simultaneously or in any number of counterparts, each of which together shall constitute one and the same instrument. The District shall be the last Party executing this Agreement and it shall ensure that notice and copies of its signature are delivered in a timely manner to the parties representatives designated in Section 15 above.

22. **Interpretation.** All Parties have been represented by counsel in the preparation and negotiation of this Agreement. Accordingly, this Agreement shall be construed according to its fair language and any ambiguities shall not be resolved against or in favor of any Party on the basis of who drafted the language.

23. **Assignment.** No Party shall assign this Agreement or any of such Party's interest, rights or obligations under this Agreement without the prior written consent of the other Party(ies) granted at the sole and absolute discretion of the Party(ies) whose consent is sought. Notwithstanding the foregoing, the District may assign its rights and obligations under the Agreement, or any parts thereof, without the need for consent from any Party to any successor governmental agency performing the functions of the District as its successor.

24. **No Admission.** Without limiting the District's rights hereunder, each of the Parties denies with respect to itself any and all legal or equitable liability under any federal or state statute, regulation or common law. The Parties' entry into this Agreement shall not constitute an admission of any kind for any purpose whatsoever.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by and through their respective and duly authorized representatives on the day and year above first written.

COUNTY OF LOS ANGELES

By _____
James A. Noyes
Director, Department of Public Works

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Frederick W. Pfaeffle,
Senior Deputy County Counsel

San Gabriel Valley Water Company

By _____
Michael L. Whitehead

Aerojet-General Corporation

By: _____

Its: _____

Azusa Land Reclamation Co., Inc.

By: _____

Its: _____

Fairchild Holding Corp.

By: _____

Its: _____

Hartwell Corporation

By: _____

Its: _____

Huffy Corporation

By: _____

Its: _____

Oil & Solvent Process Company

By: _____

Its: _____

Reichhold, Inc.

By: _____

Its: _____

Wynn Oil Company

By: _____

Its: _____